

FISCAL NOTE

HB 2653 – SB 3284

March 23, 2006

SUMMARY OF BILL: Enacts the *Basic Education Program Equalization Act of 2006* to require the state, when funding a salary increase for licensed personnel, to provide a salary increase for all licensed personnel employed by each LEA, not just licensed personnel in positions generated by the Basic Education Program (BEP) for each LEA.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – Exceeds \$2,600,000

Increase Local Revenues – Exceeds \$2,600,000

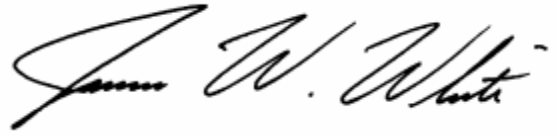
Assumptions:

- A 1% raise for instructional personnel cost the State \$21,700,000 for 59,967 instructional positions which equates to \$361.86 per instructional position. Current benefit rates total 13.15%.
- LEAs have approximately 6,350 instructional positions above what the BEP generates.
- This bill would increase state expenditures by at least \$2,600,000 and increase local revenues by a corresponding amount.
- This assumes a reduction in local expenditures equivalent to the amount of increase in state funding since locals are generally considered to already fund the entire raise for teachers not generated by the BEP. Since the LEAs are paying this salary increase currently with local funds, any reduction in local expenditures due to the state funding these costs would be offset by the use of these funds for another purpose.
- The increase in state expenditures for salaries is estimated to be approximately \$2,300,000 with benefits of approximately \$300,000.
- This increase assumes a state and local split of 65% state and 35% local.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

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A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director